

MINUTES

NATURAL RESOURCES COMMISSION

JUNE 7, 2007

**LANSING CENTER
333 E. MICHIGAN
LANSING**

PRESENT FOR THE COMMISSION

Keith Charters, Chair
Mary Brown
Hurley Coleman, Jr.
J. R. Richardson
Frank Wheatlake

ABSENT FOR THE COMMISSION

Darnell Earley
John Madigan

PRESENT FOR STAFF

Peter Manning, Legal Counsel
Rebecca Humphries, Director
Dennis Fox, Chief of Staff
Mindy Koch, Resource Management Deputy
Teresa Gloden, Assistant to the NRC
Other DNR Staff

COMMITTEE OF THE WHOLE

Chairman Charters called the Committee of the Whole meeting of the Natural Resources Commission (NRC) to order at 3:05 p.m. The Committee of the Whole meeting is a working session of the NRC.

DIRECTOR'S REPORTS

Blackstone Minerals Mediation Team

Director Humphries said that three years ago a county official asked whether severed mineral rights owners had to be notified when the surface property was in the tax reversion process. This seemingly small question had the potential to not only impact property rights in Michigan but the Natural Resources Trust Fund. The group of employees later named The Blackstone Minerals Mediation Team recognized the importance of this question and has worked diligently to reach an equitable resolution. We and future generations will continue to benefit because of their work.

Director Humphries presented white pine plaques as recipients of the 2007 Director's Recognition Award to the members of the Blackstone Minerals Mediation Team: Tom Hoane, Julie Manson, Chris McMillan, Raj Razdan, Mary Uptigrove (not present) and Tom Wellman (not present).

Constitutionally, oil, gas, and other mineral lease and royalty payments are placed in the Michigan Natural Resources Trust Fund, and now the State Park Endowment Fund, to both acquire and develop public recreation lands. Since 1976 the Trust Fund has provided millions of dollars worth of grants to support investment in natural resources. This legacy and the future of the Trust Fund were jeopardized by what is known as the Comben and Blackstone litigation. The Blackstone litigation is about property rights. Essentially, in the Blackstone case the Circuit Court held that mineral rights don't necessarily return to the State when the surface property is tax-reverted. This ruling is contrary to past practices and the potential implications are staggering as 75 percent of DNR owned lands are tax-reverted, potentially involving land transactions since 1893.

The stakes are high in the Blackstone case including the time and expense of litigation, for years to come. For the citizens of Michigan, the investment the DNR made in the Michigan Natural Resources Trust Fund and future revenue was also at risk. In settlement negotiations, the plaintiff was asking for over \$100 million. Our team sorted through complex land transactions, deeds, reversion documents and financial records to determine the extent of our risk. They worked through thousands of parcels one at a time, record by record, until we finally reached an agreement to pay \$7.0 million from Treasury, in addition to returning approximately \$300,000 that was improperly paid into the Michigan Natural Resources Trust Fund.

This team's dedication and persistence ensures continued investment in natural resources and recreation so that current and future generations can enjoy our outdoor heritage and legacy. It is the behind the scenes work of state employees like this team that is often not recognized publicly, but has made such a huge impact on a program from which the entire state benefits.

On behalf of the DNR and NRC, Director Humphries said thank you.

Helen and William Milliken Distinguished Service Award

Chairman Keith Charters announced that **Commissioner Mary Brown** received the Michigan Environmental Council's Helen and William Milliken Distinguished Service Award, presented to individuals who show outstanding leadership, enduring commitment and extraordinary public service in protecting natural resources at the local, state and national levels.

Michigan State University Distinguished Alumni Award

Chairman Charters reported that **Director Humphries** was selected to receive the Distinguished Alumni Award from Michigan State University. This is the highest recognition awarded by the MSU Alumni Association on behalf of Michigan State University to graduates.

National Archery in Schools (NASP) Virtual Archery Tournament Winners

Director Humphries announced that over 125 student archers from around the state participated in the 2007 Michigan NASP Virtual Archery Tournament. The following team and individual winners will be representing Michigan and competing in the National NASP tournament on June 9 in Louisville, Kentucky:

Team Winners - Each winning school received a NASP target

High School Division-Bark River-Harris High School, Delta County

Middle School Division-Laker Junior High School, Huron County

Elementary Division-Coloma Elementary School, Berrien County

State Champions-Winners received a compound bow and target

Top Female Archer Overall:

Mariah Kestilla, 7th Grade

Escanaba Middle School, Delta County

Top Male Archer Overall:

Derik Wurst, 8th Grade

Laker Junior High School, Huron County

Chairman Charters said that this program is a shining example of recruitment.

Director Action Item - Discussion

DNR staff is recommending that 65 parcels totaling 241.04 acres be offered to the U.S. Forest Service (USFS) only via a land exchange. These 65 parcels are public water access sites, including three developed boat launches, on the Pere Marquette River. Due to the fact that the USFS owns most of the public land on the river, such an exchange would help to consolidate state ownership. This exchange would also help to accomplish unified management of the river corridor. In addition, the Director has already approved a similar recommendation for the DNR ownership of the Pere Marquette River corridor in Mason County. However, strong opposition has been expressed by members of the public, as they do not agree with the manner in which the USFS manages their access sites and land on the river. This sentiment was echoed by Commissioner Frank Wheatlake. He is not comfortable with offering these sites to the USFS. The USFS is also currently in the process of updating its river management plan. The DNR has reviewed the draft plan and has responded to the USFS with several concerns. These concerns have added to the discomfort of some of the Commissioners to approve of offering access sites to the USFS.

Detroit Pocket Park

Kevin Frailey, Office of Communications, reported that, this summer, the DNR will be reaching and teaching more than 600 children ages 8-14 from the Salvation Army's Corps Community Centers and Children and Teen Homes through a partnership with the

Salvation Army. Salvation Army Center directors and staff will assist Gary Williams, who works in partnership with the DNR and MSU Extension, in teaching fishing and archery every Monday and Tuesday beginning June 25 at the Detroit Pocket Park. The intent is to get more kids outside to improve their mind, body and spirit. **Chairman Charters and the DNR** are very pleased with this partnership.

Oil and Gas Lease Update

On May 1, 2007, the DNR held an Oil and Gas Lease Auction. Julie Manson, Forest, Mineral and Fire Management Division, reviewed the following details:

- Almost 20,000 acres were offered;
- Almost 18,000 acres were successfully bid upon (highest percentage bid upon at an auction since 1994);
- Total revenue at this auction was just over \$435,000. The projected revenue for Fiscal Year 07 for all mineral programs is approximately \$42,000,000 – including the revenue from the last auction, held in December 2006 which was approximately \$850,000;
- Highest bid per acre was \$1,350 for a 20 acre tract in Kalkaska County.

West Mullett Lake Snowmobile Trail 2006-2007

Alan Marble, Chief, Law Enforcement Division, reviewed the enforcement activity on the 12 mile stretch of the Cheboygan to Gaylord Trail on the west side of Mullett Lake for the 2006-2007 season. He reported that compliance was excellent overall. For the season, ten complaints were received; six arrests or citations were issued; and 15 verbal warnings were issued. Currently, there has been only one trespass complaint on that stretch of the trail, but trespass will continue to be a concern.

Legal and Legislative Report from Carol Bambery

Director Humphries urged the NRC to review the report that discusses the following issues:

- *Rapanos v U.S.* and *Carabell v U.S.*: regarding development of wetlands and when does a developer have to get a permit from the Corps of Engineers before building in wetlands.
- The Farm Bill: Director Humphries and Bill Moritz, Chief, Wildlife Division, have been meeting with congress on the importance of funding conservation measures in the Farm Bill;
- Delisting the western Great Lakes gray wolf.

Closed Meeting

Commissioner Wheatlake made a motion, supported by Commissioner Coleman, to go into a Closed Meeting to discuss pending litigation and conduct Director Humphries' performance review at 3:38 p.m. The Closed Meeting adjourned at 4:35 p.m.

PUBLIC APPEARANCES

James Bos, Pere Marquette Watershed Council
Marilyn Carr, Citizens for a Quiet Community
Dan Kimmel, The Bass Federation of Michigan, Inc.
Bruce Levey, Michigan Bow Hunters Association
Bob McReavy, Nester Township
Ed Nellist, Roscommon County
Dick Schwikert, Pere Marquette Watershed Council
Tom Sprague, Woodland
Jenness Wiegand, Citizens for a Quiet Community

Bruce Levey, Michigan Bowhunters Association, was pleased to see increased opportunities in the late antlerless season in zone 3.

Dan Kimmel, Conservation Director, The Bass Federation of Michigan, Inc. supported FO 245 for fish disease control.

Bob McReavy, Nester Township, presented signed petitions that stated the following:

"We believe northern Michigan's deer population has been mismanaged in recent years and in some cases the population of whitetails is below 10 animals per square mile. As a result, the popularity of hunting, deer watching and related economic benefits has dropped dramatically. We believe this population decrease has been caused primarily by the over-distribution of doe (antlerless deer) permits. Until the deer herd in northern Michigan is restored, we request that the Natural Resources Commission significantly reduce antlerless deer permits. We also ask that the Legislature not approve the DNR's proposed Hunting and Fishing License fee increases without linking the increases to significant reductions in antlerless deer permits."

Representative Joel Sheltrown asked that Mr. McReavy present this petition.

Ed Nellist, Roscommon County Commissioner, recommended more selective cutting on State land.

Dick Schwikert, Pere Marquette Watershed Council, supports increased hunting and fishing license fees and also supports the concept of all users of the resource paying fees to do so.

He was present to oppose the proposed transfer of DNR public access sites on the Pere Marquette River to the U. S. Forest Service.

James Bos, Pere Marquette Watershed Council, opposed the proposed exchange/sale of multiple Pere Marquette River public access sites to the U.S. Forest Service.

Commissioner Brown asked if the Pere Marquette Watershed Council has been able to work with the local unit of government on zoning issues on the waterfront.

Tom Sprague, Woodland, said that banning motorized boats on Gifford Lake would eliminate his ability to fish. He recommended that, rather than banning motorized vehicles, they allow electric motors only. This issue will be reviewed further by Law Enforcement Division.

Jenness Wiegand, Citizens for a Quiet Community, has requested to see the master plan for Island Lake Shooting Range to determine whether sporting clays were part of the master plan.

Marilyn Carr, Citizens for a Quiet Community, asked that something be done about the noise coming from the Island Lake Shooting Range.

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The Public Appearances portion of the meeting adjourned at 5:33 p.m. and the Regular Meeting convened at 5:33 p.m.

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APPROVAL OF MINUTES - MAY 10, 2007 NATURAL RESOURCES COMMISSION MEETING

Commissioner Brown made a motion, supported by Commissioner Coleman, for approval. Motion unanimously carried.

DEER MANGEMENT UNITS OPENED OR CLOSED FOR ANTLERLESS LICENSES, WILDLIFE CONSERVATION ORDER, AMENDMENT NO. 7 OF 2007

Commissioner Wheatlake made a motion, supported by Commissioner Brown, to consider proposed Wildlife Conservation Order, Amendment No. 7 of 2007.

Commissioner Wheatlake made a motion, supported by Commissioner Richardson, to amend Wildlife Conservation Order, Amendment No. 7 of 2007 to change Deer Management Unit (DMU) 72 so that private land licenses remain available and this unit shall be closed for public land antlerless licenses. Discussion ensued.

Commissioner Brown believes that quotas could be used rather than reclassifying the DMU.

Roll call was taken. Commissioners Charters, Coleman, Richardson and Wheatlake voted yes. Commissioner Brown abstained. Motion to amend carried 4-0 and one abstention.

Commissioner Wheatlake made a motion, supported by Commissioner Brown, to approve Wildlife Conservation Order, Amendment No. 7, as amended. Motion unanimously carried.

Chief Moritz noted that he had discussed this issue with Commissioner Madigan and Commissioner Madigan supported the amendment.

FURBEARER REGULATIONS, WILDLIFE CONSERVATION ORDER AMENDMENT NO. 11 OF 2007

Commissioner Coleman made a motion, supported by Commissioner Brown, to approve Wildlife Conservation Order, Amendment No. 11 of 2007. It was noted that the trappers support this amendment. **Motion unanimously carried.**

DIRECTOR ACTION ITEMS

Director Humphries stated her intent to sign all Director's Action Items **except the Classification #2 parcels in the Phase II Land Review recommendations for Lake County.** She has directed staff to draft some restrictive language that will be incorporated into the deed if/when the DNR enters into a land exchange for any of these parcels on the Pere Marquette River with the U.S. Forest Service. Once that language has been drafted, it will be presented for Director and NRC review and then the Director will make a decision on the classification #2 parcel recommendations.

Director Humphries stated that **State Forest Land Exchange and Boundary Modification, Atlanta Forest Management Unit – Presque Isle and Montmorency Counties, Land Transaction Case #20050557,** that was held over for further review **will not be brought back for action at a later date.**

COMMITTEE REPORTS

NRC Policy Committee on Land Management

Committee Chairman Keith Charters convened the Committee meeting at 10:00 a.m. on June 7, 2007 at the Lansing Center. Commissioners Coleman, Richardson and Brown were also present for the Committee. Commissioner Wheatlake also attended. Minutes are attached.

NRC Policy Committee on Finance and Administration

Committee Chair Frank Wheatlake convened the Committee meeting at 12:00 noon on June 7, 2007 at the Lansing Center. Commissioner Richardson was also present for the Committee. Commissioners Brown, Charters and Coleman also attended. Minutes are attached.

NRC Policy Committee on Wildlife and Fisheries

NRC Chairman Keith Charters chaired the Committee on behalf of Commissioners Madigan and Earley who were not present. Commissioners Brown, Coleman, Richardson and Wheatlake were also present. The meeting convened at 1:15 p.m. on June 7, 2007 at the Lansing Center. Minutes are attached.

COMMISSIONER REPORTS

Commissioner Coleman is working with the Bay City State Recreation Area staff to do outreach – specifically to bring local clergy into the park and encourage use. He will notify DNR staff when this date is set.

Commissioner Richardson was confirmed by the Senate on June 6, 2007.

Chairman Charters noted that Representative Lahti will hold a public meeting in Houghton to address the hunting and fishing license fee bills.

The meeting adjourned at 6:00 p.m.

**NRC Policy Committee on Land Management
Meeting Minutes
June 7, 2007**

Present:

Commissioner Keith Charters, Chair
Commissioner Frank Wheatlake
Commissioner J.R. Richardson
Commissioner Mary Brown
Director Rebecca Humphries
Resource Management Deputy Mindy Koch
Lynne Boyd, DNR, FMFM
Bill Moritz, DNR, WLD
Kelley Smith, DNR, Fisheries
Kerry Wieber, DNR, FMFM
Steve Sutton, DNR, Fisheries
Ed Meadows, DNR, OLAF
Cindy Salmon, DNR, OLAF
Loretta Cwalinski, DNR, OLAF
Chris Klaver, Gongwer
Jim DeClerck, Saginaw Field and Stream Club
Jerry Crandall, MIRS
Sheila Jacobson, Michigan Conservation Foundation
Peter Gustafson, Pigeon River Advisory Council
Joe Jarecki
Jude Jarecki
Rich Bowman, The Nature Conservancy
Bob Jacobson, Michigan Conservation Foundation
Jason Dinsmore, MUCC
Frank Mortl, Michigan Oil and Gas Assoc.

Chairman Keith Charters called the meeting to order at 10:00 a.m.

1. Pigeon River Country State Forest Concept of Management Updates

Deputy Mindy Koch handed out the Draft Concept of Management. The last concept of management lasted for over 30 years, with amendments in 1983 and updates in 2005. However, we now have more tools and new uses. The goal is to maintain "The Big Wild" character of the forest, while providing for other compatible uses without harming these important characteristics.

This updated Concept of Management is specific enough that it will provide clear guidance to the management team, and will promote sound resource management to protect the Pigeon River Country will into the future from activities which cannot be envisioned at this time.

Ms. Koch handed out a map showing all the oil and gas development that has occurred all around the Pigeon River State Forest. This draft document is the product of the steering committee; however, this document is not a consensus of the steering committee. They could not come to agreement on some concepts.

For example, we cannot prohibit the use of motor boats on the rivers that are in the Pigeon River State Forest. We need land rules, and we can prohibit using state land to enter those rivers in the State Forest.

The major changes since the 1973 Concept of Management are:

Green Timbers was added in 1982
Blue Lakes Ranch was added in 1990
1998 the Indian River was added
The Black River Hunt Club was added

These acquisitions were accomplished using the Michigan Natural Resources Trust Fund.

Some of the issues the committee struggled with were clear-cutting; aquatic resources as a change in terminology; recreation and enforcement. Enforcing recreation prohibitions is very difficult, but it is something that needs to be done. Many people feel the Pigeon River Country is being overused, and it is impacting the elk herd. Many people feel we need a public access fee for more hunting, mountain biking, etc. Horse use has increased a great deal, along with wildlife viewing.

More emphasis on enforcement is articulated in this draft document. We still need to look at how to control the use. There is no snowmobiling allowed in the Pigeon River State Forest, except on roads. Mountain bikers will be restricted to trails and pathways. It was acknowledged that we need more research on recreation uses today.

This document prohibits the development of alternative energy sources.

Oil and gas development has always been a controversial issue for the Pigeon River State Forest. The amendments try to cover those areas that are not covered by the consent judgment. In the Blue Lakes area, we own the surface but we don't own the minerals.

This document tries to achieve compensation for damage that we currently don't receive.

The Pigeon River Initiative is new. It is a group of concerned citizens, who with the DNR, offer assistance to adjacent landowners in the management of their land, in a way that is consistent with how the DNR manages the land.

Ms. Koch expects that we will receive comments on this draft document, and we expect that amendments will be made.

The Pigeon River Association was the first group established to address issues within the Pigeon River State Forest. The DNR needs to work with them and other groups for their input on this document and to embrace them as partners. The DNR will also need

to work with local government to convince county road commissioners that additional paved roads through this area are not needed. A summary of all the comments will be available prior to coming back to the NRC with a request for action, within 90 to 120 days.

Bob Jacobson, representing the Michigan Conservation Foundation and the Michigan Resource Stewards made the following points:

- Has written many letters to the Director since 2004, and met with many retirees who worked in the Pigeon River area during their career. He has read through the prior document and sees the need for very few changes.
- Provided copies of the March 20, 2007 memo to Resource Management Deputy Mindy Koch, from David Borgeson, President of the Michigan Resource Stewards, giving its recommendations.
- The Michigan Resource Stewards are very thankful to Director Humphries for taking this on.

Jim DeClerk asked about the enforcement problems.

Ms. Koch and the Director stated that illegal ORV operation presents problems in all of our State forests. There are no Director's Orders in place for enforcement and there is a lack of law enforcement staff to permanently have someone there.

Chairman Charters asked what the commercial users would be. Mindy stated hunting and fishing guides, canoe liveries, etc.

Pete Gustafson of the Pigeon River Advisory Committee also thanked the Director and the NRC for their tremendous support in addressing this issue.

The Director said the DNR is looking for the support of the Natural Resources Commission. There were no objections from the Commissioners present and full support was given.

2. Phase II Land Review

Kerry Wieber and Steve Sutton gave an update of where we are in the Phase II Land Review. Recommendations for the sixth group of ten counties are before the NRC for Director's Action today.

Staff has received considerable public comment regarding the Lake County recommendations to exchange Pere Marquette River access sites with the U.S. Forest Service.

Chairman Charters asked the Director if she has to act on this today. Director Humphries responded no. **Ms. Koch** said the DNR needs to continue to have communication with the federal government to explain concerns regarding future land exchanges. **Commissioner Brown** would like to see us develop a plan before we proceed with the exchange.

Bob Jacobson commented that the DNR held a public meeting, and everyone there did not want any water access sites turned over to the federal government. The Resource Stewards and the Wild Turkey Association are afraid of this due to past history of what the U.S. Forest Service has done with other access sites that they control.

Kerry Wieber commented that the reason the committee made these recommendations was to be consistent with other recommendations along water corridors.

Field staff is in the process reviewing the seventh group of counties, which will be completed by July 20. Public meetings will be scheduled for early September.

Commissioner Wheatlake asked how many counties have been completed. Kerry responded that 60 out of 83 Phase II counties have been completed.

3. Phase III Land Review

Ed Meadows said 24 counties have been offered to alternative conservation owners. Five counties have parcels on the web for auction that alternative conservation owners were not interested in. It is expected that it will take two years at a minimum to complete the Phase III process.

3. 1,320-foot Variance Fee Request

Lynne Boyd, Chief, Forest, Mineral and Fire Management Division, said all of the DNR's oil and gas leases have a 1,320 foot setback requirement. A \$2,000 fee is assessed for a variance request. The DNR reviews the setback requests within 30 days.

There were no objections to the enactment of this fee.

Chairman Charters adjourned the meeting at 11:10 a.m.

NRC POLICY COMMITTEE ON WILDLIFE AND FISHERIES

JUNE 7, 2007

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Kelley Smith, Chief, Fisheries Division, provided an update on the Fish Disease Control Order (FO-245).

Brian Frawley, Wildlife Division, provided an update on the 2006 Deer Season harvest. Statewide, the number of hunters increased three percent while the number of licenses purchased decreased 4 percent. The decline was due to the reduced number of antlerless deer licenses available. Consequently, the antlerless deer harvest declined five percent. Antlered buck harvest increased 22 percent.

Bill Moritz, Chief, Wildlife Division, presented recommended antlerless deer license quotas. A total of 614,400 antlerless licenses are proposed to be available statewide. Recommendations were also made to expand the late antlerless firearm deer season from 23 to 35 counties in southern Lower Peninsula. In addition, changes were recommended for the North Manitou Island deer season, youth deer season, and the antlerless license application process. Dr. Moritz, also presented recommended elk license quotas. Quotas are proposed to be the same as 2005 quotas. **Mike Bailey, Wildlife Division**, presented proposed changes to regulations regarding managed waterfowl areas in the Saginaw Bay Management Unit. The goal is to provide consistent deer hunting regulations and improve small game hunter access. He also recommended technical changes to the descriptions of areas open to hunting in Port Crescent State Park and Wm. C. Sterling State Park.

NRC POLICY COMMITTEE ON FINANCE AND ADMINISTRATION

JUNE 7, 2007

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Committee Chairman Frank Wheatlake convened the meeting at noon on June 7, 2007. Commissioner Richardson was also present for the Committee. Commissioners Brown, Charters and Coleman were also present.

General Fund Reductions

Sharon Schafer, Chief, Office of Budget and Support Services, reviewed the DNR FY 2006-2007 General Fund Reductions resulting from Executive Order 2007-3 (EO 07-3) and Enrolled Senate Bill 436 (SB 436). She noted that the Executive Order savings are primarily due to retirement rate reductions. She also noted that these reductions (\$20,469,900 under EO 07-3) are not a loss of money but a loss in authority to spend. As a result, these monies will lapse.

Forest Development Fund

Ms. Schafer reviewed the Forest Development Fund FY2006 Expenditures by appropriation and expenditures by category. She then reviewed the revenue, expenditure and fund balance graph for FY 2006 through FY 2010 which include reductions beginning in FY 2007. Allowing for a four percent inflation factor, cuts will need to occur to stay in line with revenue projections. The forestry market has declined based on current economic conditions of the State. Reductions in contracting and overtime allowances will cause the DNR to not meet the legislative mandate for harvest.

Bill Bobier, Earthscape, said the Forest Development Fund has seen a good growth rate until recently. He said that the timber decline is very real and believes the DNR has done a great job in responding to the decline and it is like running a business without knowledge of the outcome. He believes that the expenditure projections are not conservative. He believes expenditures will be lower. **Lynne Boyd, Chief, FMFM**, said there will be a problem with this fund if the fund isn't managed differently.

Forest Recreation Fund

Jane Schultz, Office of Budget and Support Services, said that State forest camping fees were increased recently. Even with resistance factored in, it is predicted that the fund balance will increase over the next few years.

Snowmobile Funds

Ms. Schultz said that the snowmobile fees are good for three years and the trail sticker is annual. She reviewed the distribution of the fees as follows:

- not less than \$5 of the \$22 is deposited into the Snowmobile Trail Improvement Fund;
- not less than \$3 is allocated to the Department of State for Administration of the registrations;
- \$14 is allocated to the DNR for financial assistance to county sheriffs' departments and local law enforcement agencies for local snowmobile programs;
- approximately 100,000-120,000 registrations are sold annually.

Distribution of the snowmobile trail permit sticker fees are as follows:

- \$23.50 is allocated to the Snowmobile Trail Improvement Fund;
- \$.50 is retained by the DNR for administrative costs
- \$1.00 is retained by the agent selling the permit;
- approximately 205,000 trail stickers are sold annually.

Gasoline Taxes – The Recreation Improvement Fund receives two percent of all state gasoline taxes; 14 percent of that amount is deposited into the Snowmobile Trail Improvement Fund.

Joe Taylor, FMFM, said the relationships and partnerships between the DNR and the snowmobile clubs are good and all are working together to maintain the trails. Trail systems are maintained with approximately 80,000 volunteer hours per year.

Discussion ensued regarding trail usage. The DNR would like to expand the trails system, but expansion is difficult. Commissioner Richardson said the snowmobilers are a great network of users and they do great work.

ORV Trail Improvement Fund

The ORV license fee revenue is statutory and primarily goes toward trail maintenance, development and enforcement. This fund can be managed to always be in the black.

Gas Tax Revenue

The DNR receives two percent of Michigan's gas tax revenue. Of that two percent, 80 percent goes to the Waterways Fund, six percent to the Recreation Improvement Fund, and 14 percent to the Snowmobile Trail Improvement Fund. Gas tax revenues have been declining due to less consumption.

The next meeting of the Committee will be in September.

The meeting adjourned at 12:55 p.m.